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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

In re NEXTCARD, INC. SECURITIES) Master File No. C-01-21029-JF(EI)
LITIGATION)
This Document Relates To:) CLASS ACTION
ALL ACTIONS.) [PROPOSED] FINAL JUDGMENT AND
) ORDER OF DISMISSAL WITH PREJUDICE
) AS TO ERNST & YOUNG, LLP
DATE: December 2, 2005
TIME: 11:00 a.m.
COURTROOM: The Honorable
Jeremy Fogel

1 This matter came before the Court for hearing pursuant to an Order of this Court, dated
2 October 4, 2005, on the application of the Settling Parties for approval of the settlement set forth in
3 the Stipulation of Settlement with Ernst & Young, LLP dated as of December 1, 2004 (the
4 "Stipulation"). Due and adequate notice having been given of the settlement as required in said
5 Order, and the Court having considered all papers filed and proceedings held herein and otherwise
6 being fully informed in the premises and good cause appearing therefore, IT IS HEREBY
7 ORDERED, ADJUDGED AND DECREED that:

8 1. This Judgment incorporates by reference the definitions in the Stipulation, and all
9 terms used herein shall have the same meanings set forth in the Stipulation.

10 2. This Court has jurisdiction over the subject matter of the Litigation and over all
11 parties to the Litigation, including all Members of the Settlement Class.

12 3. Except as to any individual claim of those Persons (identified in Exhibit 1 attached
13 hereto) who have validly and timely requested exclusion from the Settlement Class, the E&Y Action
14 and all claims contained therein, including all of the Released Claims, are dismissed with prejudice
15 as to the Lead Plaintiffs and the other Members of the Settlement Class, and as against Ernst &
16 Young, LLP ("E&Y"). The parties are to bear their own costs, except as otherwise provided in the
17 Stipulation.

18 4. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, this Court hereby
19 approves the settlement set forth in the Stipulation and finds that said settlement is, in all respects,
20 fair, reasonable and adequate to, and is in the best interests of, the Lead Plaintiffs, the Settlement
21 Class and each of the Settlement Class Members. This Court further finds the settlement set forth in
22 the Stipulation is the result of arm's-length negotiations between experienced counsel representing
23 the interests of the Lead Plaintiffs, the Settlement Class Members and E&Y. Accordingly, the
24 settlement embodied in the Stipulation is hereby approved in all respects and shall be consummated
25 in accordance with its terms and provisions. The Settling Parties are hereby directed to perform the
26 terms of the Stipulation.

27 5. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, the Court hereby
28 certifies, for purposes of effectuating this settlement, a Settlement Class of all Persons who

1 purchased NextCard securities during the period between April 19, 2000 and October 30, 2001, and
2 who were damaged thereby. Excluded from the Settlement Class are E&Y, the Individual
3 Defendants, NextCard, members of the immediate families of the Individual Defendants, any entity
4 in which E&Y, any Individual Defendant or NextCard has or had a controlling interest, current or
5 former directors and officers of NextCard or E&Y, and the legal representatives, heirs, successors, or
6 assigns of any such excluded person or entity. Also excluded from the Settlement Class are those
7 Persons who timely and validly requested exclusion from the Settlement Class pursuant to the Notice
8 of Pendency and Proposed Partial Settlement of Class Action (the "Notice").

9 6. With respect to the Settlement Class, this Court finds for the purposes of effectuating
10 this settlement that (a) the Members of the Settlement Class are so numerous that joinder of all
11 Settlement Class Members in the Litigation is impracticable; (b) there are questions of law and fact
12 common to the Settlement Class which predominate over any individual questions; (c) the claims of
13 the Lead Plaintiffs are typical of the claims of the Settlement Class; (d) the Lead Plaintiffs and Co-
14 Lead Counsel have fairly and adequately represented and protected the interests of all of the
15 Settlement Class Members; and (e) a class action is superior to other available methods for the fair
16 and efficient adjudication of the controversy, considering: (i) the interests of the Members of the
17 Settlement Class in individually controlling the prosecution of the separate actions; (ii) the extent
18 and nature of any litigation concerning the controversy already commenced by Members of the
19 Settlement Class; (iii) the desirability or undesirability of continuing the litigation of these claims in
20 this particular forum; and (iv) the difficulties likely to be encountered in the management of the
21 Litigation.

22 7. Upon the Effective Date hereof, the Lead Plaintiffs and each of the Settlement Class
23 Members, on behalf of themselves, their successors and assigns, and any other Person claiming (now
24 or in the future) through or on behalf of them, shall be deemed to have, and by operation of the
25 Judgment shall have, fully, finally, and forever released, relinquished and discharged all Released
26 Claims against the Released Persons, including claims arising out of, relating to, or in connection
27 with the institution, prosecution, assertion, settlement or resolution of the Litigation, whether or not
28 such Settlement Class Member executes and delivers a Proof of Claim and Release form, and shall

1 have covenanted not to sue the Released Persons with respect to all such Released Claims, and shall
2 be permanently barred and enjoined from instituting, commencing or prosecuting any such Released
3 Claims against the Released Persons. NextCard and the Individual Defendants and the claims
4 asserted against them in the NextCard Action are specifically excluded from this release.

5 8. Upon the Effective Date hereof, each of the Released Persons shall be deemed to
6 have, and by operation of this Judgment shall have, fully, finally, and forever released, relinquished
7 and discharged each and all of the Settlement Class Members and Co-Lead Counsel from all claims
8 (including Unknown Claims), arising out of, relating to, or in connection with the institution,
9 prosecution, assertion, settlement or resolution of the Litigation or the Released Claims.

10 9. The distribution of the Notice and the publication of the Summary Notice as provided
11 for in the Order Preliminarily Approving Settlement with Ernst & Young, LLP and Providing for
12 Notice constituted the best notice practicable under the circumstances, including individual notice to
13 all Members of the Settlement Class who could be identified through reasonable effort. Said Notice
14 provided the best notice practicable under the circumstances of those proceedings and of the matters
15 set forth therein, including the proposed settlement set forth in the Stipulation, to all Persons entitled
16 to such notice, and said Notice fully satisfied the requirements of Federal Rule of Civil Procedure
17 23, the requirements of due process, and any other applicable law.

18 10. Any plan of allocation submitted by Co-Lead Counsel or any order entered regarding
19 the attorneys' fee and expense application shall in no way disturb or affect this Final Judgment and
20 shall be considered separate from this Final Judgment.

21 11. Neither the Stipulation nor the settlement contained therein, nor any act performed or
22 document executed pursuant to or in furtherance of the Stipulation or the settlement: (a) is or may be
23 deemed to be or may be used as an admission of, or evidence of, the validity of any Released Claim,
24 or of any wrongdoing or liability of E&Y; or (b) is or may be deemed to be or may be used as an
25 admission of, or evidence of, any fault or omission of E&Y in any civil, criminal or administrative
26 proceeding in any court, administrative agency or other tribunal. E&Y may file the Stipulation
27 and/or the Judgment in any other action that may be brought against it in order to support a defense
28 or counterclaim based on principles of *res judicata*, collateral estoppel, release, good faith

1 settlement, judgment bar or reduction or any other theory of claim preclusion or issue preclusion or
2 similar defense or counterclaim.

3 12. Without affecting the finality of this Judgment in any way, this Court hereby retains
4 continuing jurisdiction over (a) implementation of this settlement and any award or distribution of
5 the Settlement Fund, including interest earned thereon; (b) disposition of the Settlement Fund;
6 (c) hearing and determining applications for attorneys' fees and expenses in the Litigation; and (d)
7 all parties hereto for the purpose of construing, enforcing and administering the Stipulation.

8 13. The Court finds that during the course of the Litigation, the Settling Parties and their
9 respective counsel at all times complied with the requirements of Federal Rule of Civil Procedure
10 11.

11 14. In the event that the settlement does not become effective in accordance with the
12 terms of the Stipulation or the Effective Date does not occur, or in the event that the Settlement
13 Fund, or any portion thereof, is returned to E&Y, then this Judgment shall be rendered null and void
14 to the extent provided by and in accordance with the Stipulation and shall be vacated and, in such
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1 event, all orders entered and releases delivered in connection herewith shall be null and void to the
2 extent provided by and in accordance with the Stipulation.

3 IT IS SO ORDERED.

4 DATED: 12/2/05

s/electronic signature authorized

5
THE HONORABLE JEREMY FOGEL
UNITED STATES DISTRICT JUDGE

6 Submitted by:

7 LERACH COUGHLIN STOIA GELLER
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8 JEFFREY W. LAWRENCE
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13 JOY ANN BULL

14
15 /s/ Joy Ann Bull
JOY ANN BULL

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26 858/793-0323 (fax)

27 Co-Lead Counsel for Lead Plaintiffs and the
Class

28 S:\Settlement\NextCard.set\JGT FINAL 00026210.doc

DECLARATION OF SERVICE BY MAIL
PURSUANT TO NORTHERN DISTRICT LOCAL RULE 23-2(c)(2)

I, the undersigned, declare:

1. That declarant is and was, at all times herein mentioned, a citizen of the United States and a resident of the County of San Diego, over the age of 18 years, and not a party to or interested party in the within action; that declarant's business address is 655 West Broadway, Suite 1900, San Diego, California 92101.

2. That on November 22, 2005, declarant served the [PROPOSED] FINAL JUDGMENT AND ORDER OF DISMISSAL WITH PREJUDICE AS TO ERNST & YOUNG, LLP by depositing a true copy thereof in a United States mailbox at San Diego, California in a sealed envelope with postage thereon fully prepaid and addressed to the parties listed on the attached Service List and that this document was forwarded to the following designated Internet site at:

<http://securities.lerachlaw.com/>

3. That there is a regular communication by mail between the place of mailing and the places so addressed.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 22nd day of November, 2005, at San Diego, California.

/s/ Yvette D. Gray
YVETTE D. GRAY

NEXTCARD - N.D. CAL (LEAD)

Service List - 11/9/2005 (201-403-1)

Page 1 of 2

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NEXTCARD - N.D. CAL (LEAD)

Service List - 11/9/2005 (201-403-1)

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* Denotes Service Via Overnight Delivery

EXHIBIT 1

November 18, 2005

I wish to be excluded from the Settlement Class *In re NextCard, Inc. Securities Litigation, Master File No. C-01-21029-JF(EJ)*.

Name: Richard Goebel

Current Address: 4240 Lost Hills Road, #106, Agoura Hills, CA 91301

Address at time of Settlement Class: 3 Sunrise Lane, Mill Valley, CA 94941

Telephone: 415-515-9266

NXCD stock transactions of Richard Goebel

<u>date acquired</u>	<u>date sold</u>	<u># shares</u>
2/15/2001		5,625
2/15/2001		1,406
2/15/2001		5,625
3/21/2001		1,875
	3/30/2001	12,000
	3/22/2001	2,000
	5/23/2001	2,500
	5/24/2001	1,000
	6/25/2001	2,000
	7/16/2001	1,000
	8/10/2001	1,000
	8/20/2001	2,000
	9/24/2001	4,000
	10/1/2001	500
	10/16/2001	2,000
	10/29/2001	500
	11/2/2001	1,500
	11/2/2001	10,608
	11/5/2001	13,309

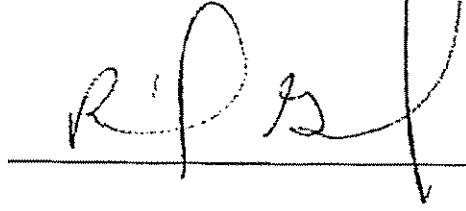
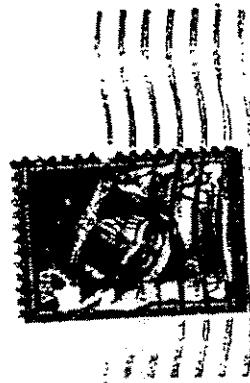
Signature: 

Exhibit 1

Goebel
4240 East Hills
#106
Agoura Hills, CA
91301



NextCard Securities Litigation
c/o RG/LA Claims Administration LLC
PO Box 59479
Philadelphia, PA 19102-9479

1310249473

November 21, 2005

NextCard Securities Litigation
c/oRG/2 Claims Administration LLC
P.O. Box 59479
Philadelphia, PA 19102-9479

11-28-2005 000100

I wish to be excluded from the Settlement Class in *In re NextCard, Inc. Securities Litigation*, Master file No. C-01-21029-JF(EI).

My name, address and telephone number is Daniel Springer, 4415 20th Street, San Francisco, CA 94114, (415) 225-6660.

During the period between April 19, 2000, and October 30, 2001, I purchased no shares of NextCard common stock, and I sold shares on the following dates in the following amounts of shares:

<u>Date sold</u>	<u># of shares sold</u>
12-14-00	15,000
12-18-00	15,000
12-19-00	10,000
12-20-00	5,000
12-21-00	15,000
12-26-00	10,200
12-27-00	14,800
12-28-00	5,000
10-5-01	10,000

Sincerely,



Daniel Springer

D. Springer
4415 20th Street
SF CA 94114

NextCard Securities Litigation
v. RG/2 Claims Administration LLC
P.O. Box 59479
Philadelphia, PA 19102-9479

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